

Dear Chairman Cox,

Friday – July 18th, 2008

As a 42-year veteran of Wall Street, I am deeply disappointed that there even is a Reg SHO, that there even is a Threshold Securities List (that contains hundreds of stocks!), and that circumstances are such that I'm even invited to make this comment.

Someone, and since you're at the top Mr Cox it may as well be you, needs to stop and reflect on what's really happening here.

Specifically, in this modern computer-driven day and age, tracking the shares of a company's stock is really not the big huge deal Wall Street publicly makes it out to be; let's be real! Yet, until very recently you and many others have expected not only Wall Street professionals like me, but also American investors, to actually believe that millions and millions of delivery failures day after day after day are simply accidental. How utterly absurd Mr Chairman!

The bottom line here is really very basic; one simply does not sell what one does not own!

And along these procedural lines, I am also very disappointed that the SEC did not see the record 2007 earnings reported by most financial services firms – and let's not forget all those related record bonuses – as handwriting on the wall that mischief was clearly afoot.

To put it another way, US equity markets during 2007, despite much volatility, ended the year essentially flat; and the vast majority of US investors was lucky to even break even. But meanwhile, the same slippery firms that you are now protecting via your recent Emergency Order against naked short selling were reporting record results quarter after quarter and declaring record bonuses in excess of \$ 37 billion.

And speaking of your recent SEC Emergency Order, in this observer's humble opinion you have proven what many have long suspected – and that is the SEC's blind loyalty to Wall Street's worst offenders!

Specifically, you have not only chosen to finally enforce laws against naked shorting that have been on the books, and this just for the benefit of 17 ailing firms that speculators are understandably shorting into the ground, but you have also limited this long-overdue enforcement to a select few. Why is that?!

Where has the SEC been for the past several years while its spokespeople were claiming that naked short selling was a none-issue; just groundless griping by investors who were angered by loses and looking for someone to blame? Why now; and why just these few firms?

Moreover, did it ever occur to you Mr Chairman that many of the firms that you are suddenly and selectively protecting from market manipulation via naked short

selling are the very same thieves that booked record earnings by doing precisely to others what is now being done to them?

Who ever gave you the right Mr Chairman to selectively decide which companies are worth of law enforcement and which should be remain as unprotected targets?

Frankly, it appears that the underlying theme on Wall Street has been to “privatize” most gains through the twisted “securitization” process, while at the same time “socializing” most loses through the public bailout process. How utterly despicable things have become under your watch Mr Chairman!

To conclude, it is my well-informed opinion that Wall Street’s image has been so badly tarnished, particularly in recent years, that most private investors – the very folks the SEC was formed to protect – have completely abandoned Wall Street; an exit fueled not only by a total lack of trust, but also by greatly-diminished confidence.

And the best way for the SEC to reverse this trend, again in my opinion, would be to obtain a slew of long-overdue indictments against known manipulating institutions and the crooks that run them, and to demand a slew of long-overdue SEC resignations; including yours Mr Chairman.

For only then will much-needed but now-lacking confidence be restored.

Sincerely,

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